

57TH MEETING
OF THE
MARYLAND HEALTH CARE COMMISSION

Tuesday, June 15, 2004
Minutes

Chairman Wilson called the meeting to order at 1:01 p.m.

Commissioners present: Moffit, Nicolay, Risher, Row, Salamon, and Toulson

ITEM 1.

Approval of Minutes

Commissioner Robert Nicolay made a motion to approve the Minutes of the May meeting of the Commission, which was seconded by Commissioner Constance Row, and unanimously approved.

ITEM 2.

Update on Commission Activities

- Data Systems and Analysis
- Health Resources
- Performance and Benefits

Chairman Wilson asked if the Deputy Directors had information to add to the written *Update*. Pamela Barclay, Deputy Director of Health Resources, announced that workshop on Incorporating Patient Safety and Facility Design in the State Health Plan for Maryland Hospitals would be held on June 28, 2004 at the BWI Marriott Hotel. Barbara G. McLean, Executive Director, announced that the Commission would hold a press conference announcing the designation of the Maryland Patient Safety Center on Friday, June 18th, 2004 at 11:30 a.m. in the Joint Hearing Room of the Legislative Services Building, 90 State Circle, in Annapolis, Maryland. Commissioner Nicolay asked for further information on auditing the trauma fund. Ben Steffen, Deputy Director of Data Systems and Analysis, responded that Clifton-Gunderson had been awarded the auditing contract following a competitive bidding process. Copies of the *Update* were available on the documents table and on the Commission's website at:
<http://www.mhcc.state.md.us/mhccinfo/cmsnmtgs/updates/>.

ITEM 3.

FINAL ACTION: COMAR 10.25.09 — Requirements for Payers to Designate Electronic Health Care Networks

Chairman Wilson announced that Joel Tornari, Assistant Attorney General, would present COMAR 10.25.09 for promulgation.

Mr. Tornari said the purpose of this action is to clarify the regulations. Maryland law requires payers operating in this state to accept electronic health care transactions originating in Maryland from electronic health networks that are accredited by the Electronic Healthcare Network Accreditation Commission, or certified by the Commission. This action brings the regulations in line with the transaction standard requirements spelled out under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Mr. Tornari added that the Commission had received no comments on the proposed regulations. He requested final approval by the Commission. Commissioner Row made a motion that the Commission approve the regulations, which was seconded by Commissioner Robert Moffit, and unanimously approved.

FINAL ACTION: COMAR 10.25.09 — Requirements for Payers to Designate Electronic Health Care Networks is hereby APPROVED.

ITEM 4.

CERTIFICATION OF ELECTRONIC HEALTH NETWORKS:

- ProxyMed, Inc.
- PayerPath, Inc.

Dr. Wilson said that Irene Battalen, Health Policy Analyst, would present applications from ProxyMed, Inc. and PayerPath, Inc. for certification. Ms. Battalen said that ProxyMed, Inc. had applied for recertification and that staff recommended that the Commission approve certification. Commissioner Row made a motion to approve the certification, which was seconded by Commissioner Moffitt, and unanimously approved.

ACTION: ProxyMed, Inc. is hereby CERTIFIED as an Electronic Health Network.

Ms. Battalen said that PayerPath, Inc. had also applied for recertification and that staff recommended approval. Commissioner Moffitt made a motion to approve the certification, which was seconded by Commissioner Row, and unanimously approved.

ACTION: PayerPath, Inc. is hereby CERTIFIED as an Electronic Health Network.

ITEM 5.

CERTIFICATE OF NEED:

- North Arundel Hospital, Exemption from Certificate of Need - Closure of 17-bed Subacute Care Unit

Chairman Wilson announced that there were two Certificate of Need actions on the agenda. He said that Susan Panek, Chief, Certificate of Need, would present a request for exemption from Certificate of Need by North Arundel Hospital for the closure of a 17-bed subacute care unit. Ms. Panek said North Arundel Hospital (“North Arundel”) notified the Commission in February 2004 that it had decided to close its 17-bed hospital-based skilled nursing unit because of the financial losses the unit has sustained as a result of changes in the way Medicare reimburses the hospital for subacute care, imposed subsequent to the unit’s original licensure in 1997. Despite significant efforts to bolster its performance, the subacute care unit “has lost money in each of the last two fiscal years,” and the hospital has seen this trend continue into FY 2004. Nearby nursing homes and one rehabilitation facility have indicated that they can accommodate the flow of patients discharged from North Arundel who need further skilled nursing or short-term rehabilitation.

Ms. Panek stated that Staff has reviewed and analyzed the information provided by North Arundel concerning its decision to cease operation of its hospital-based subacute care unit, and has found that the proposed closure is not inconsistent with the State Health Plan and is in the public interest. Therefore, Staff recommended that the Commission **APPROVE** the requested exemption from Certificate of Need. Commissioner Row made a motion to approve the Certificate of Need, which was seconded by Commissioner Moffit, and unanimously approved.

ACTION: The North Arundel Hospital, Application for Exemption from Certificate of Need for the Closure of its 17-bed Subacute Care Unit is hereby APPROVED.

- Lorien-Taneytown – Request for Modification of Facility Design and Extension of Time to Meet Final Performance Requirement

Chairman Wilson said that Joel Tornari would present a request from Lorien-Taneytown to extend its final performance requirement. Mr. Tornari said that Lorien-Taneytown requested an extension of its final performance requirement, arguing that the extension is necessitated by delays in receiving site plan approval as a result of a “last minute requirement that Lorien build a public road” on its site. Lorien-Taneytown further contended that this requirement constitutes “extraordinary cause,” justifying approval of the extension request. Commissioner Row made a motion to approve the extension, which was seconded by Commissioner Moffit, and unanimously approved.

ACTION: The Lorien-Taneytown – Request for Modification of Facility Design and Extension of Time to Meet Final Performance Requirement is hereby APPROVED.

ITEM 6.

PRESENTATION: *The Process for Modifying the Comprehensive Standard Health Benefit Plan (CSHBP) and the Process for Creating the Limited Benefit Plan*

Chairman Wilson announced that the next agenda item was a presentation by Enrique Martinez-Vidal. Mr. Martinez-Vidal presented information on the activities and timelines envisioned for the annual modification of the Comprehensive Standard Health Benefit Plan, as well as the process for developing a Limited Health Benefit Plan pursuant to the requirements of Senate Bill 570 (2004). Included in the presentation were an explanation of the goals of the CSHBP, the Commission’s process for monitoring the small group market, a proposed timeline for modifications to the plan and for development of the Limited Health Benefit Plan, and the announcement of a public hearing to be held on September 8, 2004. Chairman Wilson asked Commissioner Steve Salamon to comment on whether the plan was viable and Commissioner Salamon said that it was. Chairman Wilson thanked Mr. Martinez-Vidal for his presentation.

ITEM 7.

PRESENTATION: *Assessing and Reporting Hospital and Nursing Home Satisfaction*

Chairman Wilson observed that the Nursing Home and Hospital Performance Evaluation Guide Steering Committees have been working for the past several months to implement systems to collect valid and reliable consumer satisfaction data. Jean Moody-Williams, Chief, Facility Quality and Performance, presented highlights of the survey implementation efforts. The Centers for Medicare and Medical Services (CMS) collaborated with the Agency for Healthcare Research and Quality to develop a standard instrument and data collection protocol for a hospital patient satisfaction survey. Maryland was one of three states to pilot test the instrument. The Delmarva Foundation was selected as the lead Quality Improvement Organization to coordinate the efforts of the states. The data collected from the three pilot states were

examined to determine the reliability and validity of the draft measures, test the survey methodology, and identify the items that were most robust for public reporting. The original pilot instrument was reduced to 32 questions from 66 due to confusion, redundancy, or unreliability as a measure of satisfaction. The Maryland Hospital Performance Evaluation Guide Steering Committee reviewed the pilot results and agreed that Maryland should pursue the use of the tool to collect hospital patient satisfaction data. Commission staff is currently pursuing that use. A report that included a review of the literature, interviews with various states' staff, and recommendations for the development of a nursing home patient satisfaction survey or the recommendation for an existing tool was presented to the Nursing Home Performance Evaluation Guide Steering Committee. It was recommended that a standardized survey instrument that has undergone development and testing be adopted for use and be implemented in every certified nursing home in Maryland. It was also recommended that the Commission select one tool for nursing home residents and a separate tool for family members or caregivers. An existing tool will be selected through a competitive bid process. Chairman Wilson thanked Ms. Moody-Williams for her report.

ITEM 8.

PRESENTATION: *Nursing Home Occupancy Rates and Utilization by Payment Source: Maryland, Fiscal Year 2002*

Chairman Wilson announced that Meredith Frost, Health Policy Analyst, would present the FY 2002 report on Maryland Nursing Home Occupancy and Utilization by Payment Source. This report provides data on the capacity and utilization of all Maryland nursing homes, including the volume of patient days of care provided by payment source. There were 248 Maryland nursing homes in 2002 with 29,281 operating beds and more than nine million patient days. There was a slight increase in statewide occupancy in 2002. Beds continued to be removed from the system. Medicaid days declined but continued to make up the largest portion of days. Private pay days declined, while Medicare days increased. This report is available on the Commission's website at: <http://www.mhcc.state.md.us/longtermcare/longtermcare.htm>. Chairman Wilson thanked Ms. Frost for her presentation.

ITEM 9.

PRESENTATION: *Statistical Brief: Organ Transplant Services*

Chairman Wilson said that Bridget Glazebrook, Health Policy Analyst in Specialized Health Care Services, would present a Statistical Brief on Organ Transplant Services. Ms. Glazebrook presented highlights of the brief. The number of registrations on the national waiting list for organ transplants continues to exceed the supply of donated organs. From 2001 to 2003 there was a 2.7 percent average yearly increase in the waiting list and a comparable 2.6 percent increase in transplants occurring. Nationally, the number of organ donors has increased, although at a slower pace than previous years. The number of solid organ transplants occurring in the Maryland and Washington regions over the most recent three years declined at an average of 11.5 percent per year. The number of organ donors in the Maryland and Washington regions declined 4.4 percent per year over the same period. The decline is due to changes in the organ distribution system. Chairman Wilson thanked Ms. Glazebrook for her report. It is available on the Commission's website at: <http://www.mhcc.state.md.us/organtransplant/organtransplant.htm>.

ITEM 10.

Hearing and Meeting Schedule

Chairman Wilson announced that the next meeting of the Commission will be July 15, 2004 at 4160 Patterson Avenue, Room 100, in Baltimore, Maryland at 12:30 p.m.

ITEM 11.

Adjournment

There being no further business, the meeting was adjourned at 2:33 p.m. upon motion of Commissioner Salamon, which was seconded by Commissioner Nicolay, and unanimously approved by the Commissioners.